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## FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

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Dockets

IN REPLY REFER TO:

Honorable Norman Sisisky Member, House of Representatives 43 Rives Road

Petersburg, VA 23805

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Dear Congressman Sisisky:

This responds to your letter of October 19, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. Your constituent, Ronnie Thrower of GTE Virginia, Inc., expresses support for a PCS license set aside for local exchange carriers.

On September 23, 1993, the Commission adopted final rules to govern PCS. The Commission allocated 120 megahertz of spectrum for licensed PCS and adopted licensing areas based upon Basic Trading Areas (BTAs) and Major Trading Areas (MTAs); 60 megahertz of spectrum were allocated for BTAs and 60 megahertz for MTAs. Local exchange carriers may apply for PCS licenses on the same basis as other applicants.

Consistent with the Omnibus Reconciliation Act, in a companion Notice of Proposed Rule Making, PP Docket No. 23-253, the Commission proposed to award PCS licenses by competitive bidding. The Commission also proposed setting aside one 20 megahertz and one 10 megahertz frequency block for rural telephone companies, small businesses, and businesses owned by minorities and women.

The Commission's decisions addressing PCS are designed to foster competition among PCS providers and between PCS providers and cellular radio operators and to ensure expeditious provision of PCS in both urban and rural areas. I am enclosing the press releases for the dockets addressed above that more fully describe the Commission's actions.

Sincerely,

Thomas P. Stanley Chief Engineer

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Enclosures

NORMAN SISISKY . 4TH DISTRICT, VIRGINIA

WASHINGTON OFFICE: 2352 RAYBURN BUILDING WASHINGTON, DC 20515-4604 (202) 225-6365

ARMED SERVICES COMMITTEE CHAIRMAN, OVERSIGHT AND INVESTIGATIONS MILITARY ACQUISITION

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Congress of the United States 70,314

House of Representatives

Mashington, PC, 20515-4604 Washington, DC 20515-4604

CONSTITUENT SERVICE OFFICES BRISTOL SQUARE I, #204 309 COUNTY STREET PORTSMOUTH, VA 23704 804-393-2068

> 43 RIVES ROAD PETERSBURG, VA 23805 804-732-2544

EMPORIA EXECUTIVE CENTER 425H SOUTH MAIN STREET EMPORIA, VA 23847 804-634-5575

October 19, 1993

Ms. Lauren Belvin Acting Director Federal Communications Commission Office of Legislative Affairs 1919 M Street, N.W. Washington, D.C. 20554

Dear Ms. Belvin:

I have enclosed a copy of the correspondence I have received from Mr. Ronnie Thrower of GTE Telephone Operations, South Area, 9380 Walnut Grove Road, P.O. Box 900, Mechanicsville, Virginia 23111.

Please examine the contents and answer the questions raised.

Please respond to me at 43 Rives Road, Petersburg, Virginia 23805. Thank you for your cooperation.

Sincerely,

Member of Congress

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September 27, 1993

The Honorable Norman Sisisky
U. S. House of Representatives
2352 Rayburn House Office Building
Washington, D. C. 20515

RE: Amendment of the Commission's Rules to Establish New Personal Communications Services - GEN Docket Nol. 90-314

Dear Rep. Sisisky:

My company, GTE Virginia, Inc., a local exchange carrier providing telephone exchange services in the State of Virginia, strongly urges the Commission to grant Personal Communications Service (PCS) licenses and set aside the requisite spectrum for exchange carriers to provide PCS in their respective local serving areas. Since exchange carriers are already obligated and organized to provide economical common carrier services to the general public, their provision of PCS could allow this new service to be widely and rapidly available. Moreover, their participation will facilitate the efficient use of resources of the local network which will support PCS as well as other new services, enabling alternative methods of local distribution and delivery of quality service to their customers.

The Commission has consistently taken the position that exchange carriers are exceptionally well-qualified to provide radio-based telecommunications services to local subscribers. Providing an opportunity for exchange carriers to deploy PCS in their own serving areas is fully consistent with the Commission's previous set-aside of cellular spectrum for wireline carriers due to their expertise and experience. Like cellular, exchange carriers are well qualified to provide PCS. They have the technical expertise, the resources, and the local distribution network necessary for rapid deployment, and at the lowest cost. Foreclosing their participation would thus eliminate experienced and capable exchange carriers from competing in their own service market and utilizing the economies in their networks.

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It would also preclude PCS availability in rural areas where they presently serve. Indeed, the Congress in the Budget Reconciliation bill specifically mandated that the Commission shall "ensure that small businesses, rural telephone companies...be given the opportunity to participate in the provision of spectrum - based services and for such purposes consider the use of tax certificates and bidding preferences."

Exchange carrier participation in the provision of PCS in their own serving areas would realize the following potential benefits:

- First: PCS can help achieve the Commission's and the exchange carrier's universal service obligations.
- Second: PCS can offer exchange carriers the opportunity to expand and enhance radio-based services to rural and isolated areas.
- Third: exchange carrier participation can increase and complement utilization of the local network infrastructure, thereby increasing its efficiency.
- Fourth: some, even much of the local distribution infrastructure for PCS, including copper and fiber networks, digital central office switches and intelligent network capabilities is in place in the exchange carriers' own serving areas, and is ready to be used for PCS applications.
  - Fifth: it will enable exchange carriers to offer new radio-based services to their customers and provide an incentive for them to give customers the greatest efficiency benefits from their existing and developing network infrastructure. In contrast, forcing exchange carriers outside their service areas will destroy any opportunity that an exchange carrier would promote synergies in its wired and wireless infrastructure.

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In sum, permitting the approximately 1300 exchange carriers to offer PCS inside their own serving areas would allow them to accommodate diverse geographic and customer requirements. Exchange carriers have the experience and capability to deploy the PCS expeditiously in a manner best suited to meet customer demands for increased mobility and portability. They have proven that they can work together to create and operate the current seamless telecommunications network through appropriate business arrangements. They could certainly do so with PCS given the same opportunity.

Respectfully submitted,

Ronnie Thrower